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## **SEN. DORGAN INTRODUCES NEW CTL LEGISLATION**

*From the NMA Mining Week*

Sen. Byron Dorgan (D -N.D.) last week introduced new coal-to-liquids (CTL) legislation designed to reduce the nation's dependence on foreign oil and demonstrate the effectiveness of critically important carbon capture and storage activities.

On Oct. 4, Dorgan introduced the "Coal Fuels and Industrial Gasification Demonstration and Development Act of 2007," which focuses on the two-phase development of a limited number of CTL and industrial gasification facilities.

In the first five-year phase, three competitively selected projects must achieve a 70 percent carbon capture rate, as well as a greenhouse gas emissions standard that is equivalent to the lifecycle greenhouse gas emissions of conventional fuels. In the second five-year phase, three projects must achieve an 80 percent carbon capture rate, as well as a greenhouse gas emissions standard that is 15 percent below the lifecycle greenhouse gas emissions of conventional fuels.

The bill would give special consideration to projects that incorporate at least 5 percent, by weight, biomass feedstock to further reduce the project's greenhouse gas footprint, as well as for those projects that participate in the Department of Energy's Carbon Sequestration Regional Partnership Program.

The bill authorizes \$10 billion in loans to eligible facilities that can be used to cover 100 percent of the costs associated with reducing greenhouse gas emissions, but cannot exceed 50 percent of a project's total cost. The bill also authorizes \$120 million in funding to help projects complete necessary frontend engineering and design work, with a maximum of \$20 million being available for each eligible facility.

In addition, the bill provides various tax incentives, including a \$20 per metric ton credit for carbon dioxide that is geologically stored and a credit of \$10 for each metric ton of carbon dioxide used in Enhanced Oil Recovery operations.

Elsewhere, the bill calls for a feasibility study on maintaining CTL fuels in the Strategic Petroleum Reserve and requires a report on emissions from CTL fuels and the potential impacts on air and water quality and public health.